

Congress of the United States

Washington, DC 20515

October 15, 2009

The Honorable Ed Rendell
Governor
Commonwealth of Pennsylvania
200 Main Capital Building
Harrisburg, PA 17120

Dear Governor Rendell:

In light of the budgetary constraints facing Pennsylvania and the economic and fiscal uncertainties facing our nation, we write asking you to take seriously the effect any proposed healthcare legislation will have on our state. Clearly the Commonwealth cannot afford to jeopardize further its already precarious fiscal position.

In a recent address to Congress, the President promised that he would not sign healthcare reform if it added even one cent to the federal deficit. We commend President Obama for that promise. However, we also believe that healthcare reform must not add one cent to Pennsylvania's already burdensome Federal mandates. Unfortunately, current healthcare proposals would do just that by piling on the Commonwealth additional Medicaid liabilities.

For example, both H.R. 3200 and Senator Baucus' Healthcare bill propose expanding Medicaid to 133 percent of the Federal Poverty Level. The National Conference of State Legislators estimates that an expansion of Medicaid in Pennsylvania to 133 percent will mandate that Pennsylvania increase state Medicaid spending by approximately \$2.2 billion over the next 10 years. As I am sure you are aware, any increase in state spending on Medicaid will come at the expense of other programs, such as education and public safety. We do not believe this is an acceptable trade-off.

Unfortunately, the 10 year \$2.2 billion burden placed on the Commonwealth is just the beginning of the unfunded mandate tsunami facing our state if either the House or Senate version of healthcare legislation becomes law. When the assistance from the Federal Government ends in 2019, the Commonwealth of Pennsylvania will be forced to deal with the entire cost of the Medicaid expansion—which will be more than \$930 million in 2020 alone.

Democrats and Republicans alike are aware of the damage these bills will inflict on their states. Senator Reid, for example, negotiated a deal to exempt his home state of Nevada from any additional Federal mandates in healthcare legislation. If new mandates are too onerous for Nevada, surely they are too taxing for Pennsylvania as well.

For all these reasons we are disappointed to find that you signed onto a letter in support of healthcare legislation including new Federal mandates for Pennsylvania. Our state has

already struggled to pass a budget in these difficult times. Adding new mandates will only exacerbate that problem.

We look forward to hearing from you on this matter.

Sincerely,

Joseph Pitts

Tom Egan

Bill Shuster Glen St. Thompson

Colin Dent

Todd R. Platts

Tim Murphy